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Poultry Programs

Market News Branch

## TAIWAN

Foot-and-mouth disease continues to plague the Taiwan pork industry. An occurrence of foot-and-mouth was reported in December, 1998. The government has offered financial incentives to hog producers to exit the industry. However, due to strong prices, producers are reluctant to liquidate herds.

## RUSSIA

USDA/FAS reports that the Russian economic crisis has had a favorable impact on the domestic poultry industry, although consumption is declining because imports have slowed and the domestic industry cannot supply the shortfall. Poultry meat consumption declined by 35 percent in 1998 compared with the 1997 level and is expected to decline by another 17 percent in 1999. Total consumption is forecast at 1.205 million metric tons for 1999 (compared with consumption of 1.855 million metric tons in 1997), and imports are forecast at 500,000 metric tons (compared with imports of 1.24 million metric tons in 1997).

The economic crisis is apparent in the cost of meat products and food staples. Since mid-1998, the retail price of meats in rubles has doubled, whereas average monthly income has declined from U.S. \$160 to U.S. \$50 (not indexed for inflation) since July. With the devaluation of the ruble, inflation, job cuts, and reduced foreign investment, consumer purchasing power has declined significantly. Since the onset of the economic crisis in August, meat consumption reportedly has fallen below their established dietary guidelines as consumers switch to crushed grain, eggs, dairy products, and semi-finished meat products, and the Russian State Dumas has discussed price controls as a way to curb the inflation of food prices.

Spurred by a good grain harvest in 1997, increased demand due to decreased imports as a result of the economic crisis, foreign investment, and government support in the form of financial credit, poultry meat production totaled 640,000 metric tons in 1998 and is forecast to reach 720,000 metric tons in 1999. Although many operations remain uncompetitive and economic problems limit improvements, vertical integration is gradually increasing the overall competitiveness of the Russian poultry sector. The Russian government has adopted a resolution calling for a 250,000 metric ton increase in production. At the same time, the Russian poultry industry is attempting to convince consumers that U.S. poultry meat is inferior to domestic product.

## BRAZIL

The Brazilian poultry industry is forecasting 1999 exports to show a 10 percent increase, to 692,000 metric tons. Lower production costs are expected to improve producer returns and domestic consumption is expected to remain strong as poultry meat remains price competitive with beef. The poultry industry is implementing an international market promotion program with a target of \$1.2 billion in annual poultry meat exports by 2002.

## HONG KONG

The economic crisis in Russia softened world poultry meat prices and resulted in the diversion of large volumes of poultry meat to China via Hong Kong. As a result, Hong Kong's poultry meat imports reached an estimated 868,000 metric tons in 1998. Although anti-smuggling campaigns by the Chinese government and a less favorable exchange rate for the Chinese Renminbi may continue into 1999, heavy trading is expected to continue and Hong Kong's poultry meat imports are forecast to increase to 937,000 metric tons. Seventy percent of imported poultry meat was re-exported during January-September 1998.

**JANUARY-SEPTEMBER 1998.** USDA/FAS reports the following re-exports of chicken meat, by cut.

Jan.-Sept. 1998	Imports	Exports	Re-exports
<u>Chicken Cuts</u>	<u>(metric tons)</u>	<u>(metric tons)</u>	<u>(percent)</u>
Feet	258,160	209,690	81
Wings	183,670	124,373	68
Frozen cuts	121,229	80,612	66
Offal	19,551	16,057	82
Whole birds	9,002	166	2
Preserved meat	7,494	294	4
Whole birds	9,002	166	2
Total poultry	650,910	457,846	70

Average CIF (cost, insurance, and freight) prices for chicken products from Hong Kong's top four suppliers were reported as follows.

Top Four Suppliers, Jan.-Sept. 1998				
	U.S.	Brazil	UK	Netherlands
Total poultry meat supplied	<u>(metric tons, Jan.-Sept. 1998)</u>			
	410,292	52,519	35,192	31,664
<u>Chicken Cuts</u>	<u>(U.S. \$/metric ton, CIF Hong Kong)</u>			
Feet	645	623	634	707
Wings	982	1,268	1,000	1,028
Cuts	921	1,460	890	2,053
Whole birds	1,255	1,205	1,560	1,170

Source: USDA Foreign Agricultural Service and Iowa State University US Meat Export Analysis and Trade News, March 12, 1999.

**INSPECTED EGG PRODUCTS****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

	Week Ending May 01, 1999		Year-To-Date	
Type	1999	1998 /1	1999	1998
Liquid	98	99	4,423	4,165
Frozen	0	0	6	50
Dried	0	0	174	174
Total	98	99	4,603	4,389

**U.S. Imports From Canada, in Pounds (Preliminary)**

	Week Ending May 01, 1999		Year-To-Date	
Type	1999	1998 /1	1999	1998
Liquid	78	73	1,381	1,468
Frozen	0	1	94	109
Dried	0	0	10	34
Total	78	74	1,485	1,611

**Inspected Shell Eggs****U.S. Exports To Canada, in 30-Dozen Cases (Preliminary)**

	Week Ending May 01, 1999		Year-To-Date	
	1999	1998 /1	1999	1998
Jumbo	33	61	221	242
Extra Large	510	1,164	9,715	12,005
Large	2,940	3,198	32,381	32,508
Medium	368	352	15,598	18,377
Ungraded	12,060	10,770	109,529	68,612
Misc	0	0	1,650	1,710
Total	15,911	15,545	169,094	133,454

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

**LIVE POULTRY SLTRD UNDER INSPECTION** W/E 01-May-99  
PRELIMINARY**U.S. FOWL SLAUGHTERED DOMESTICALLY (000'S)**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
HEAD	2,147	1,405	3,552
LAST WEEK	2,332	1,431	3,763
SAME WEEK YR AGO	2,406	1,218	3,624
TO-DATE/1999	37,092	22,795	59,887
TO-DATE/1998	35,580	21,021	56,601

**U.S. FOWL SLAUGHTERED IN CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
HEAD	467	18	485
LAST WEEK	574	0	574
SAME WEEK YR AGO	671	24	695
TO-DATE/1999	8,369	132	8,501
TO-DATE/1998	9,606	168	9,774

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

**TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
HEAD	2,614	1,423	4,037
LAST WEEK	2,906	1,431	4,337
SAME WEEK YR AGO	3,077	1,242	4,319
TO-DATE/1999	45,461	22,927	68,388
TO-DATE/1998	45,186	21,189	66,375

**CENTRAL REGION** PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS.  
May 07, 1999

**CHICKEN PRICES**

	-----FROZEN-----		-----FRESH-----	
FAT	FOB	DELIVERED	FOB	DELIVERED
CONTENT	DOCK		DOCK	
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

0 pounds, this includes 0 pounds for export shipment.

**CHICKEN PRICES, WITH ADDED SKIN**

15% OR LESS				
RANGE	-	-	14.00-15.00	-
WTD AVERAGE			14.13	
163,200 pounds, this includes 0 pounds for export shipment.				
15-20%				
RANGE	12.00	13.00	7.50-12.50	11.50-13.75
WTD AVERAGE	12.00	13.00	10.17	12.71
1,997,600 pounds, this includes 81,600 pounds for export shipment.				

20% OR MORE

RANGE	-	-	-	-
WTD AVERAGE				

0 pounds, this includes 0 pounds for export shipment.

\* INCLUDES THE FOLLOWING STATES: AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

**EASTERN REGION** PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS.  
May 07, 1999

**CHICKEN PRICES**

	-----FROZEN-----		-----FRESH-----	
FAT	FOB	DELIVERED	FOB	DELIVERED
CONTENT	DOCK		DOCK	
15% OR LESS				
RANGE	14.00-16.00	-	17.00	-
WTD AVERAGE	14.82		17.00	

1,045,400 pounds, this includes 250,000 pounds for export shipment.

**CHICKEN PRICES, WITH ADDED SKIN**

15% OR LESS				
RANGE	-	15.00	13.88	15.00-17.00
WTD AVERAGE		15.00	13.88	16.20
480,000 pounds, this includes 0 pounds for export shipment.				
15-20%				
RANGE	11.50-13.00	13.50-14.00	9.50-13.00	12.00-14.00
WTD AVERAGE	12.00	13.88	11.34	13.11
1,895,839 pounds, this includes 0 pounds for export shipment.				

20% OR MORE

RANGE	-	-	-	-
WTD AVERAGE				

0 pounds, this includes 0 pounds for export shipment.

\* INCLUDES THE FOLLOWING STATES: CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

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**NATIONAL YOUNG TURKEY PARTS AND BULK MEAT**, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS

MAY 07, 1999

Tom drum undertone improved with increased activity noted for domestic and export shipments. Thigh meat market fully steady with the strength due mostly to export interest, however, some increased fresh domestic inquiry is noted. The overall dark meat undertone is being helped by the strength of the chicken leg quarter and pork complexes. Offerings of 4-8 lb. breasts light to instances adequate with some processors reluctant to cut up hens due to the profitability of bagging operations. Grade A rib breasts: 8-10 lb. 104, 16-18 lb. 145-150 cents delivered. For export: hen drums 19, hen defatted gizzards 51 cents delivered.

**FRIDAY, MAY 07, 1999****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	14.50-19.00		17.13	224	16.28	420
WINGS FULL-CUT - TOMS		R	22.50	20	19.16	436
WINGS, V-TYPE, TOM	19.00-20.00		19.67	312	19.67	312
TAILS		F	18.00	28		
MECHANICALLY SEPARATED 4/		W	13.15	602	13.15	602
THIGH MEAT - FROZEN	42.00-46.00		44.36	686	44.64	1,588

**THURSDAY, MAY 06, 1999****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	16.00-16.50		16.22	92
WINGS FULL-CUT - TOMS	22.50		22.50	20
WINGS, V-TYPE, TOM				
TAILS		F	18.00	28
MECHANICALLY SEPARATED 4/		W	13.15	602
THIGH MEAT - FROZEN	46.00-47.00		46.45	224

**WEDNESDAY, MAY 05, 1999****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	14.50		14.50	104
WINGS FULL-CUT - TOMS	19.00		19.00	416
WINGS, V-TYPE, TOM		W	19.00	104
TAILS		F	18.00	28
MECHANICALLY SEPARATED 4/	13.00-16.00		13.15	602
THIGH MEAT - FROZEN	43.00-45.00		44.34	678

**TUESDAY, MAY 04, 1999****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	15.00	40
WINGS FULL-CUT - TOMS		W	22.50	20
WINGS, V-TYPE, TOM		W	19.00	104
TAILS		F	18.00	28
MECHANICALLY SEPARATED 4/		F	11.48	1,352
THIGH MEAT - FROZEN		F	44.08	1,160

**MONDAY, MAY 03, 1999****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	15.00	40
WINGS FULL-CUT - TOMS		W	22.50	20
WINGS, V-TYPE, TOM		W	19.00	104
TAILS		F	18.00	28
MECHANICALLY SEPARATED 4/		F	11.48	1,352
THIGH MEAT - FROZEN		F	44.08	1,160

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

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